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RUEAIIA/CIA WASHINGTON DC
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RUCPDOG/USDOC WASHINGTON DC
RHMFIUU/HQ BICE INTEL WASHINGTON DC

UNCLAS HANOI 001204

SENSITIVE
SIPDIS

PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [VN](#)
SUBJECT: RESPONSE TO BLUE LANTERN PRE-LICENSE, END USE
CHECK ON APPLICATION 050112606

REF: SECSTATE 76533

¶1. (SBU) SUMMARY: Per reftel, the Embassy made inquiries with the Vietnam Marine Police to assess the end use of items stated on the license request and conducted a site visit to Van Xuan General Import Company to assess its business operations, on-site security, and general reliability as a recipient of United States Munitions List (USML) items. Post is confident that the Vietnam Marine Police is the end user for the items and the Van Xuan Import Company is a legitimate import agent. End summary.

Van Xuan General Import Company

¶2. (SBU) In a meeting in Hanoi on October 2, 2008, poloff discussed the license application for the Integrated Engine Display System (IEDS) with the Manager of the Planning Department, Mr. Pham Hoang Thu. Mr. Thu explained that Van Xuan Import Company (VAXUCO) is a Ministry of Defense (MOD) company; that is, the company is owned by the MOD and staffed with quasi-government employees. VAXUCO's responsibility is to act as the commercial import agent for the MOD. As a MOD-owned company, Van Xuan is essentially part of the government bureaucracy. The company is not in business for a profit, but to facilitate transaction of defense articles to the various branches of the Vietnamese military, security forces, and police.

¶3. (SBU) Mr. Thu produced the contract documents, allowed poloff to review the documents, and offered to provide copies as needed. VAXUCO's role is to receive the items upon arrival, ensure that all proper paperwork is completed to pass through customs, and transfer the items to the Vietnam Marine Police.

¶4. (SBU) The company representative appeared to have a strong understanding of restrictions on USML, confirming that the items would be secured as required. Mr. Thu also explained that retransfer and end use restrictions and requirements are listed clearly in the contract and have been explained to the Vietnam Marine Police. Overall, Mr. Thu demonstrated a clear knowledge of the rules and a willingness to provide information. Further, he offered to discuss any other case involving U.S. equipment, should we have such questions in the future.

Vietnam Marine Police

¶5. (SBU) Poloff and pol FSN met with Rear Admiral Pham Duc

Linh, Director of the Vietnam Marine Police Headquarters in Hai Phong on October 21. ADM Linh confirmed that the Vietnam Marine Police (VMP) wish to acquire the items in the license application request and offered any information that would hasten the process. He explained that the VMP falls under the administration of the MOD, hence the use of the MOD's import agent, VAXUCO. By way of background, ADM Linh explained that the VMP is a relatively new organization, established in 1998, and the Government of Vietnam is now making a significant investment in equipment for VMP. ADM Linh went on to reassure poloff that the equipment will be installed on surveillance aircraft that do not have any weapons or combat equipment on board. Regarding retransfer requirements, ADM Linh explained that the VMP has no intention of transferring any U.S. equipment it acquires as it is greatly needed by his organization; however, he clearly understood the issue, and noted that all U.S. equipment and materials provided would be properly safeguarded and adhere to all contractual requirements.

¶6. (SBU) COMMENT: Post believes VMP is the genuine end user of the items, and that VAXUCO is a legitimate import agent for the MOD and has a high degree of confidence that both VAXUCO and the VMP are aware of and intend to fulfill their contractual obligations, including the restrictions on re-export and retransfer of USML. End Comment.

¶7. (U) Post point of contact for this matter is Jane Bocklage, phone: (84-4) 3850-5081, bocklageje@state.gov. MICHALAK